Like most Americas, I am frustrated at the pump with the price of gasoline. It is a crime that we, as an energy rich nation and especially Texas, an energy rich state, must pay these high prices for a simple tank of gasoline.

The problem is one of supply and demand. We do not live in a static environment. World demand for oil has increased dramatically. While the U.S. is the largest single country that imports oil, the European Union imports 15.6 million barrels of oil every day, 2.5 million barrels more than the United States. Japan and China are the second and third largest oil importing countries. China has double digit GDP growth and will only increase their demand for world oil. India also has rapid GDP growth, they are the ninth largest oil importing country and their demand for oil will grow.

While oil demand has increased, world supply has not dramatically changed. It is highly unlikely that a country will suddenly discover a field with 100 billion barrels of oil. The top ten oil rich countries will continue to dominate and control the oil market. Of the top ten oil rich countries, only one – Canada – would be considered to be a longtime ally of the United States. The rest of the list reads as a Who's Who of countries that have either a history of friction with the U.S., connections to terrorism, or unstable or undemocratic governments.

Top Ten Proven Oil Reserves
(in billions of barrels of oil)

1.	Saudi Arabia	262.7
2.	Canada	178.9
3.	Iran	133.3
4.	Iraq	112.5
5.	United Arab Emirates	97.80
6.	Kuwait	96.50
7.	Venezuela	75.59
8.	Russia	69.00
9.	Libya	40.00
10.	Nigeria	36.00

Additionally, the top energy companies in the world tend to be foreign owned and government controlled corporations. Despite how much grumbling there is about ExxonMobile, Chevron, ConocoPhillips, or Sunoco, they do not set the world market price for oil.

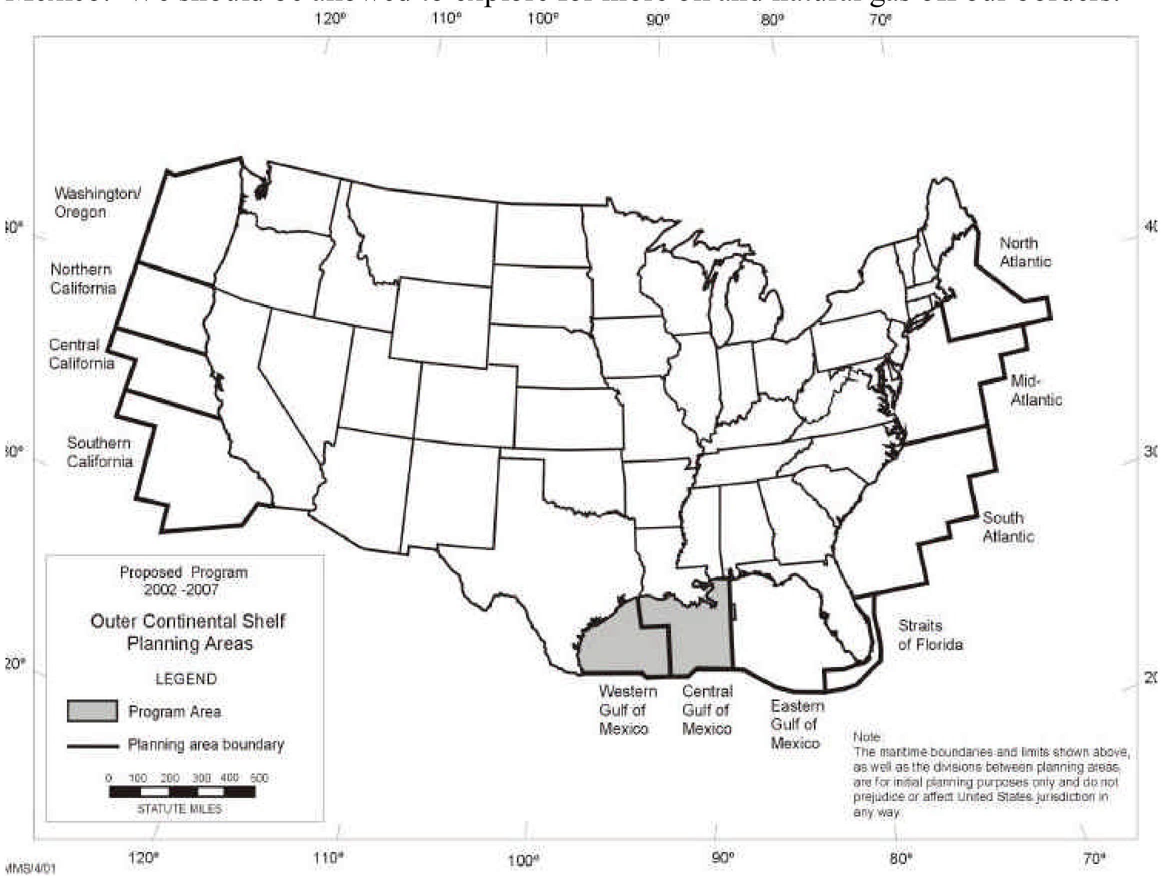
Top 10 Energy Companies
(based on liquid reserves)

1.	Saudi Aramco	Saudi Arabia	21.83%
2.	National Iranian Oil Company (NIOC)	Iran	10.59%
3.	Iraq National Oil Company (INOC)	Iraq	9.68%
4.	Kuwait Petroleum Corporation (KPC)	Kuwait	8.33%
5.	Petróleos de Venezuela (PDVSA)	Venezuela	6.55%
6.	Abu Dhabi National Oil Corporation (ADNOC)	UAE	4.65%
7.	Libya National Oil Company	Libya	1.91%
8.	Nigerian National Petroleum Corporation (NNPC)	Nigeria	1.78%
9.	Petróleos Mexicanos (Pemex)	Mexico	1.35%
10.	LUKOIL	Russia	1.34%

OPEC, by their own admission, controls 78% of the world's oil supply. Through this organization Algeria, Libya, Nigeria, Iran, Iraq, Kuwait, Qatar, Saudi Arabia, UAE, Indonesia and Venezuela can influence the price of crude oil by imposing production quotas. This method allows them to artificially cause the price of oil to increase through reducing the available supply.

Last year, the United States imported 4.9 billion barrels of oil which accounts for 60% of U.S. oil consumption. If we are to work towards lowering energy prices we must increase domestic supply so that we are not held captive to the oil prices that OPEC is dictating.

Last year, I introduced HR 3811 to help address the problem of domestic production. HR 3811 would allow for expanded domestic drilling in the United States' Outer Continental Shelf. 40% of U.S. oil consumption is generated domestically. Of that, a third of domestic oil production and 22% of natural gas production comes from the Gulf of Mexico. We should be allowed to explore for more oil and natural gas off our borders.



Since the early 1980's, Congress began the practice of placing an appropriations moratorium on drilling by withholding funds from the Department of Interior for leasing. This appropriation moratorium gradually expanded until it limited offshore oil and natural gas exploration to the Western and Central Gulf of Mexico and parts of Northern Alaska. This moratorium makes 90% of the OCS acreage off limits to energy development in the lower 48 states.

There are about 300 trillion cubic feet (Tcf) of natural gas and more than 50 billion barrels of oil yet to be discovered in the lower 48 OCS. That is enough oil or natural gas to:

- maintain current oil production for 87 years and current natural gas production for 68 years

- produce gasoline for 116 million cars and heating oil for 47 million homes for 15 years
- replace current imports from the Persian Gulf for 59 years
- produce sufficient natural gas to heat 75 million homes for 60 years
- supply current industrial and commercial needs for 29 years or supply electricity generating needs for 55 years

H.R. 3811 would allow the Department of Interior's Mineral and Mining Service to begin the process of leasing areas of the OCS to companies under a competitive bidding system with the federal government and states collecting royalties from the lease.

In 2001, the federal government collected $7.5 billion in royalties from offshore drilling. This expansion of offshore drilling would increase revenue to the federal government and help America increase our domestic supply of oil and natural gas providing the duel benefit of increased revenue and lower energy prices. Additionally, further deepwater exploration and drilling will create additional jobs in our country rather than propping up OPEC regimes that are sympathetic to and support terrorists organizations.

As you can see, energy policy is a complex issue. However, I assure you that I am working hard to find innovative and effective solutions that will help make energy affordable to all Americans.